



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor



Timothy P. Murray, Lt. Governor



Tina Brooks, Undersecretary

Public Housing Notice 2008-05

Memorandum

To: All Local Housing Authority Executive Directors
From: Amy Schectman, Associate Director
Division of Public Housing and Rental Assistance
Subject: FY09 Budget & DHCD Budget Guidelines Update
Date: August 8, 2008

As you all know by now, the Public Housing Subsidy for Fiscal Year 2009 is \$66.5 Million. This was an incredibly tight budget year, and although we are disappointed that the Legislature did not adopt the Governor's recommendation for \$73 Million for this year, we know the Governor is not wavering in his commitment to raise the public housing operating subsidy every year until the budgeted amount matches the true need of the Commonwealth's local housing authorities.

Unfortunately, the \$66.5M will not afford us enough to provide an increase in ANUEL in this fiscal year. Last year, we had a \$15M increase in the subsidy line. We increased ANUELS 12%; this level of increase costs \$22M on an annual basis—meaning we created a \$66M FY09 obligation. So although the \$66.5M is 10% more than last year, it actually does not allow for any new increases this year.

A particular concern to all of us this year is the escalating costs of energy, and what this will mean for housing authorities and tenants as the winter months approach. DHCD will continue to work to supplement the budget to cover these costs in the coming months. To this end, we are serving on the Governor's Task Force on Energy Costs, and the economic health of your LHAs is our primary interest in this effort. Debra Hall is also working diligently to devise creative solutions for energy savings this winter. If you have any ideas or suggestions, please contact Debra directly at (617) 573-1185 or debra.hall@state.ma.us.

My sincerest apologies that you do not yet have the budget guidelines in your hands, and that this update is late in coming. We are working on the budget guidelines right now, and you can expect them shortly. As you know, the summer has been very hectic, but even with that we are behind in staying on top of this central issue, and I apologize.